

**FY 14-15 OBJECTIVES**

- Collaborate with U.S. Army Corps of Engineers to prepare a feasibility study for environmental enhancement work on Dry Creek to protect critical habitat for coho and steelhead and implement the provisions of the Biological Opinion.
- Leverage state and federal drought relief funding for water conservation and recycled water projects to reduce use of potable water and encourage demand for projects conserving existing potable water sources.
- Construct Mirabel fish screen and fish ladder project and federally funded natural hazard reliability project.
- Continue climate change modeling and development of an adaptation plan to prepare for long-term changes to water supply brought about by extended droughts and global climate change.
- Seamlessly integrate Water Agency SAP cost accounting enterprise financial system with new County enterprise financial system.
- Accomplish FY 13-14 Objectives in progress.

**BUDGET AT A GLANCE:**

Total Expenditures	\$215,884,367
Total Revenues/Use of Fund Balance	\$215,884,367
Total General Fund Contribution	\$0
Total Staff	209.50
% Funded by General Fund	0.00%

**FINANCIAL SUMMARY**

<b>Expenditures</b>	<b>FY 13-14 Adopted</b>	<b>FY 14-15 Recommended</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Water Resources</b>				
Water Transmission & Supply	45,317,814	52,267,264	6,949,450	15.3
Warm Springs Dam	12,110,625	15,088,511	2,977,886	24.6
Sanitation	41,389,726	41,125,243	(264,483)	(0.6)
Flood Control	9,604,414	14,491,753	4,887,339	50.9
Internal Transfers / Reimbursements	27,530,400	25,214,900	(2,315,500)	(8.4)
<b>Administration</b>				
Finance & Administration	7,226,640	9,285,295	2,058,655	28.5
Internal Services	14,225,334	13,562,001	(663,333)	(4.7)
Internal Transfers / Reimbursements	42,950,000	42,600,000	(350,000)	(0.8)
<b>Sustainability &amp; Renewable Energy</b>				
Energy Projects	2,184,400	2,249,400	65,000	3.0
<b>Total Expenditures</b>	<b>202,539,353</b>	<b>215,884,367</b>	<b>13,345,014</b>	<b>6.6</b>
<b>Revenues/Reimbursements</b>				
Property Tax	19,930,771	21,356,968	1,426,197	7.2
Charges for Services	28,017,930	28,017,930	0	0.0
Water/Power Sales	41,949,048	41,949,048	0	0.0
Grants	585,000	1,123,144	538,144	92.0
Use of Fund Balance	32,213,528	45,499,701	13,286,173	41.2
Interest/Other	9,362,676	10,122,676	760,000	8.1
Reimbursements	70,480,400	67,814,900	(2,665,500)	(3.8)
<b>Total Revenues</b>	<b>202,539,353</b>	<b>215,884,367</b>	<b>13,345,014</b>	<b>6.6</b>

*Notes: Transfer and reimbursement of expenses from one section of the Water Agency's budget to another total \$67.8 million, resulting in a net budget of \$147.9 million.*

**STAFFING SUMMARY**

<b>Staffing</b>	<b>FY 13-14 Adopted</b>	<b>FY 13-14 Approved</b>	<b>FY 14-15 Recommended</b>	<b>FTE Change</b>	<b>% Change</b>
Permanent Positions	207.50	209.50	209.50	0.00	0.0%

## **FY 14-15 BUDGET CHANGES**

The recommended budget for the Sonoma County Water Agency reflects overall expenditures of \$215.9 million, an increase of \$13.3 million from FY 13-14. This is attributed to programming water transmission natural hazard mitigation capital projects; designating pass through of funds from a federal WaterSmart grant to other entities for recycled water projects; planning completion of the first mile and 90% of design for the second and third mile of the Biological Opinion Dry Creek Habitat Demonstration Project, stormwater detention, channel improvement, and groundwater recharge projects in the flood control zones; and engaging consultant services for climate adaptation planning and drought related projects.

Revenue increases total \$13.3 million over FY 13-14 and are a result of a \$1.4 million increase in property taxes based on current estimates; \$538,000 increase in federal, state, and foundation grants; \$630,000 increase in contributions from water transmission debt service funds to storage facilities capital projects; and \$130,000 in contributions from wholesale water contractors to groundwater management planning projects. There was a \$2.7 million decrease in reimbursements between the sanitation districts' operations funds and construction funds due to a decrease in new capital projects. Also, an increase of \$13 million in the use of fund balance is included in the recommended budget primarily to avoid steep rate increases that would result from the projected drop in wholesale water deliveries due to drought response (\$6.5 million) and to fund various capital projects in the sanitation zones and districts (\$6.8 million).

### **Water Transmission & Supply**

Water Transmission and Supply expenditures, which are funded by wholesale water sale rates and use of fund balance, have increased \$6.9 million from FY 13-14. This increase is the result of enhanced climate adaptation planning, drought research and integrated regional water management planning (\$255,000); a federal WaterSmart grant pass through to North Bay Water Reuse Authority Members for recycled water projects (\$1.9 million), aqueduct cathodic protection upgrade projects (\$1.6 million); Coyote Valley Dam, aqueduct, and collector well assessments and feasibility studies (\$670,000); and natural hazard mitigation capital projects (\$2.5 million).

### **Warm Springs Dam**

Warm Springs Dam expenditures, which are funded through increased property taxes and use of fund balance, increased \$3 million from FY13-14. This increase is the result of additional expenditures for the Dry Creek Habitat Demonstration Project under the Biological Opinion (\$2.6 million) and the Fisheries Monitoring Program in the Russian River Watershed (\$400,000).

### **Sanitation**

Sanitation expenditures decreased \$264,000 which is due to the completion in FY 13-14 of several capital projects (South Park County Sanitation District sewer collection systems, the Sonoma Valley County Sanitation District recycled water projects, and the Biosolids Upgrade Project) and fewer planned capital projects for FY 14-15.

### **Flood Control**

Flood control expenditures, which are funded through increased property taxes and use of fund balance, increased \$4.9 million from FY 13-14 to complete low impact stormwater development projects, habitat enhancement and restoration projects, flood modeling projects, and stormwater detention groundwater recharge projects in Zone 1A Laguna Mark West (\$1.6 million), flood control studies and channel improvement projects in Zone 2A Petaluma (\$2.4 million), and low impact stormwater development and channel improvement projects in Zone 3A Valley of the Moon (\$862,000).

### **Finance & Administration**

Finance and administration expenditures increased \$2.0 million from FY13-14. Position changes account for a net increase of \$362,000 resulting from the FY 13-14 addition of 1.0 FTE Senior Programmer Analyst position (Operations Division), 1.0 FTE Account Clerk II position (Administrative Division), 1.0 FTE Technical Writing Specialist (Engineering Division), 1.0 FTE Environmental Specialist (Environmental Division), and the funding of an additional 0.50 FTE Human Resources Analyst in the County Human Resources Department. These added positions are offset by the elimination of a 1.0 FTE Programmer Analyst Position, an extra help Account Clerk II, and a 1.0 FTE Assistant Project Specialist.

Consultant services for climate adaptation and drought related projects account for an expenditure increase of \$525,000. Increased expenditures are also attributable to contributions to the construction of the Westside Water Education Facility (\$350,000) and to support operations at the Airport-Larkfield-Wikiup Sanitation Zone (\$250,000); operations and maintenance services for Town of Windsor Public Works and City of Forestville Water District (\$125,000); and computer software and hardware (\$470,000).

### **Internal Services**

Internal services include the Water Agency's buildings, equipment and fleet, and the power used to run its operations. Expenditures decreased \$663,000. This is a result of a decrease of \$1.0 million due to completion of the Service Center Relocation from 2150 College Avenue to 800 Aviation Boulevard and the roof replacement at the 404 Aviation Boulevard administration building. These decreases are

offset by an increase of \$360,000 to implement two 12kV power distribution projects to install transformers for electricity distribution at the Sonoma Valley County Sanitation District Reservoir 4 and the Russian River County Sanitation District Main Pump Station.

**FY 13-14 OBJECTIVES STATUS**

- Secure grant funding for continued implementation of the Biological Opinion and continue to pursue state and federal funding for natural hazard reliability projects, as a way of reducing costs to rate payers. Continue to pursue strategic partnerships and alliances to leverage staff and funding resources. **In Progress**
- Continue environmental and technical analyses to modify minimum instream flow requirements and to make technical adjustments to existing water rights. **In Progress**
- Conduct further rate studies for water services. **In Progress**
- Complete the move of the Service Center into Airport Sanitation Zone facility and sell or lease the 2150 West College Avenue facility. **Completed**
- Prepare a Supervisory Control and Data Acquisition Master Plan and begin an update to the Information Technology Master Plan. **Completed**
- Prepare environmental documents for Occidental County Sanitation District reclamation system improvements. **Completed**
- Construct recycled water expansion projects in the Sonoma Valley County Sanitation District including components of the Napa Sonoma Marsh and Sonoma Valley Recycled Water projects. **Completed**
- Continue to implement groundwater studies and Groundwater Management Plans in Sonoma Valley and the Santa Rosa Plain. **In Progress**
- Continue developing integrated storm water detention and groundwater recharge projects in the flood control zones 1, 2, and 3. **In Progress**
- Continue potential implementation of Community Choice Aggregation (Sonoma Clean Power). **Completed**
- Work with Sonoma County Youth Ecology Corps to expand programs to local parks. **In Progress**

**DEPARTMENT HEAD CONCURRENCE OR COMMENT**

The General Manager of the Water Agency concurs with the County Administrator's recommended budget.